

## **Program A: Oil and Gas Regulatory**

Program Authorization: La. Const.: Article IX, Sec. 1; R.S. 36:351; 30:1

### **Program Description**

Mineral property rights are important to the economy of Louisiana. A system of regulations is required to ensure that the rights of all parties involved in the exploration and production of oil, gas, and other natural resources can be respected. To this end, this program pursues its mission of regulating the exploration and production of oil, gas, and other natural resources under the guidance of, and in support of, the Commissioner of Conservation. This effort requires extensive geological and engineering study of requests for new wells, unitization requests and other activities related to mineral exploration and production, as well as the maintenance of a depository of records. The mission of this program is to protect the correlative rights of all parties involved in the exploration and production of oil, gas, and other natural resources while minimizing the waste of these resources and of capital investments to acquire them. The goal of this program is to serve the citizens of Louisiana by managing and preserving recurring and non-recurring natural resources in the state. The one activity of this program is Oil and Gas Regulatory.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$653,513	\$1,696,335	\$1,696,335	\$2,288,717	\$1,368,188	(\$328,147)
STATE GENERAL FUND BY:						
Interagency Transfers	505,179	2,458,000	2,458,000	2,458,000	2,458,000	0
Fees & Self-gen. Revenues	3,804	20,000	20,000	20,000	20,000	0
Statutory Dedications	6,812,218	6,577,579	6,577,579	6,426,330	6,541,277	(36,302)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<b>\$7,974,714</b>	<b>\$10,751,914</b>	<b>\$10,751,914</b>	<b>\$11,193,047</b>	<b>\$10,387,465</b>	<b>(\$364,449)</b>
EXPENDITURES & REQUEST:						
Salaries	\$4,687,583	\$4,564,437	\$5,152,842	\$5,315,987	\$5,112,397	(\$40,445)
Other Compensation	216,932	27,456	43,156	43,156	43,156	0
Related Benefits	1,186,343	1,352,008	1,550,283	1,834,392	1,511,627	(38,656)
Total Operating Expenses	696,700	745,073	453,211	458,719	453,211	0
Professional Services	0	500,000	0	0	0	0
Total Other Charges	1,054,145	3,562,940	3,552,422	3,528,793	3,267,074	(285,348)
Total Acq. & Major Repairs	133,011	0	0	12,000	0	0
TOTAL EXPENDITURES AND REQUEST	<b>\$7,974,714</b>	<b>\$10,751,914</b>	<b>\$10,751,914</b>	<b>\$11,193,047</b>	<b>\$10,387,465</b>	<b>(\$364,449)</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	131	131	131	131	127	(4)
Unclassified	1	1	1	1	1	0
<b>TOTAL</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>132</b>	<b>128</b>	<b>(4)</b>

## SOURCE OF FUNDING

This program is funded with State General Funds, Interagency Transfers, Fees and Self-generated Revenues, and Statutory Dedications. Statutory Dedications are from the the Oil and Gas Regulatory Fund, (Per R.S. 30:21B.(2)(a)). The table below lists Statutory Dedications expended from each fund.

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Oil and Gas Regulatory Fund	\$6,812,218	\$6,426,330	\$6,426,330	\$6,426,330	\$6,541,277	\$114,947
Deficit Elimination/Capital Outlay Escrow Replenishment Fu	\$0	\$151,249	\$151,249	\$0	\$0	(\$151,249)

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$1,696,335</b>	<b>\$10,751,914</b>	<b>132</b>	<b>ACT 13 FISCAL YEAR 2002-2003</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$1,696,335</b>	<b>\$10,751,914</b>	<b>132</b>	<b>EXISTING OPERATING BUDGET - December 2, 2002</b>
\$81,937	\$81,937	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
\$33,368	\$33,368	0	Risk Management Adjustment
(\$47,927)	(\$47,927)	0	Rent in State-Owned Buildings
\$961	\$961	0	Maintenance of State-Owned Buildings
\$128,855	\$128,855	0	Salary Base Adjustment
(\$108,897)	(\$108,897)	0	Attrition Adjustment
(\$295,899)	(\$295,899)	(5)	Personnel Reductions
(\$183,103)	(\$183,103)	0	Salary Funding from Other Line Items
\$190,562	\$190,562	0	Group Insurance Adjustment
\$6,726	\$6,726	0	Other Adjustment - Office of Computing Services - Email costs
\$0	(\$151,249)	0	Other Adjustment - Elimination of Fiscal Year 2002-2003 Group Benefits Surcharge
(\$292,852)	(\$292,852)	0	Other Adjustment - Realignment of rent by program
(\$99,789)	(\$99,789)	0	Other Adjustments - Cut to fund retirement costs
(\$190,562)	(\$190,562)	0	Other Adjustments - Cut to fund Group Benefits
\$487,830	\$487,830	0	Other Adjustments - Restore cuts to Other Charges
\$75,590	\$75,590	1	Other Adjustments - Transfer - in of one postion
(\$114,947)	\$0	0	Net Means Of Financing Substitutions -
<b>\$1,368,188</b>	<b>\$10,387,465</b>	<b>128</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$1,368,188</b>	<b>\$10,387,465</b>	<b>128</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:

11-432

**MAJOR FINANCIAL CHANGES**

<b>GENERAL FUND</b>	<b>TOTAL</b>	<b>T.O.</b>	<b>DESCRIPTION</b>
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$1,368,188	\$10,387,465	128	GRAND TOTAL RECOMMENDED

## **PROFESSIONAL SERVICES**

\$0 This program does not have funding in Professional Services for Fiscal Year 2003-2004.

**\$0 TOTAL PROFESSIONAL SERVICES**

**OTHER CHARGES**

\$2,000,000	Governor's Oil Spill Coordinator - Abatement of unauthorized discharges where Commissioner certifies that viable responsible party cannot be located (including site specific direct expenses of the office)
\$34,376	R. Joseph Wilson-Legal Services
\$20,000	Insurance Recovery
<b>\$2,054,376</b>	<b>SUB-TOTAL OTHER CHARGES</b>

**Interagency Transfers:**

\$726,829	Rent - LaSalle Building
\$118,347	Rent - Lafayette
\$51,139	Building Maintenance - Monroe and Shreveport
\$119,808	Office of the Secretary - Indirect Costs - Data Processing, Legal, Civil Service
\$6,726	Office of Computing Services - E-mail
\$84,367	Risk Management
\$750	Division of Administration - Advertising
\$16,550	Division of Administration - State Printing
\$800	Division of Administration - State Mail
\$87,382	Office of Telecommunications

<b>\$1,212,698</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
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<b>\$3,267,074</b>	<b>TOTAL OTHER CHARGES</b>
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## **ACQUISITIONS AND MAJOR REPAIRS**

\$0 This program does not have funding in Acquisitions and Major Repairs for Fiscal Year 2003-2004.

**\$0 TOTAL ACQUISITIONS AND MAJOR REPAIRS**